

FEMP Comprehensive ESPC Workshop

Introduction

Welcome!

Objective of the Workshop

To provide agency personnel with a comprehensive understanding of the ESPC process and a springboard to obtaining the information and tools needed to ensure that their projects are of the highest possible value.

Individual Learning Objectives are in the front section of the Handbook

DOE Federal Energy Management Program's (FEMP's) Mission

FEMP works with Federal leadership to accomplish energy change within organizations by bringing expertise from all levels of project and policy implementation to enable Federal agencies to meet energy related goals and to provide energy leadership to the country.



The FEMP home page is your source on energy and sustainability:
www1.eere.energy.gov/femp/index.html ★

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The Department of Energy (DOE) Federal Energy Management Program (FEMP) facilitates the Federal Government's implementation of sound, cost-effective energy management and investment practices to enhance the nation's energy security and environmental stewardship.

FEMP SERVICE AREAS

 **Laws, Regulations, & Reporting ▶**
Meet Energy Goals and Regulatory Requirements

 **Sustainable Buildings & Campuses ▶**
Design, Operate, and Maintain High-Performance Buildings

 **Renewable Energy**

NEWS

DOE Announces Guide for 50 % More Energy Efficient Office Buildings
May 11, 2011

DOE Announces a \$213 Million Energy Savings Performance Contract with FDA's White Oak Campus
April 29, 2011

CEQ Announces 2011 GreenGov Presidential Awards
April 27, 2011

ESPC Web Pages:

www1.eere.energy.gov/femp/financing/espcs.html

FEMP home page → Project Funding → ESPCs

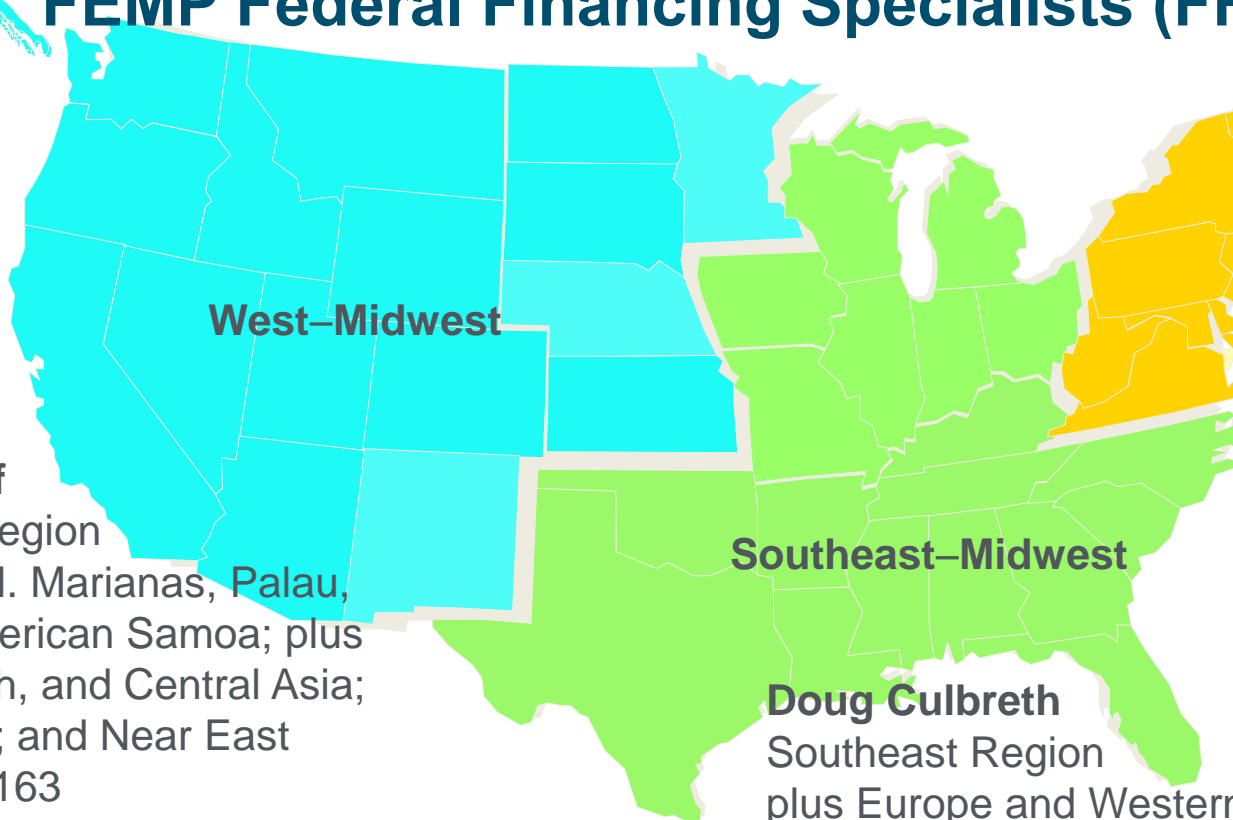
- Assistance and contacts
- Resources – **ESPC contract documents**, templates
 - See handbook front for contents
- Laws & Regulations
- Energy Service Companies (ESCOs)
- Awarded Contracts
- Case Studies
- Training
- Energy Awards Programs

FEMP's ESPC Team is dedicated to helping agencies make the most of their ESPC projects

- The FEMP Federal Financing Specialist (FFS)
 - Your first point of contact
- FEMP Project Facilitators (PFs)
- National Lab experts supporting the FEMP ESPC program
- DOE Golden Office – ESPC contracting support

(More details provided throughout the workshop)

FEMP ESPC Contacts — FEMP Federal Financing Specialists (FFS's)

**Scott Wolf**

Western Region
including N. Marianas, Palau,
Guam, American Samoa; plus
East, South, and Central Asia;
the Pacific; and Near East
360-866-9163
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Northeast Region
plus State Dept.
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Free FEMP ESPC Training

- 2013 Comprehensive ESPC workshops:

- Apr 16-18, Washington DC
 - June 11-13, San Diego

- Customized agency workshops available
- On-demand Webinars

- FEMP Calendar of Events (all training dates)

http://www1.eere.energy.gov/femp/financing/espcs_training.html

Go to Project Funding → ESPCs → Training



Overview of the Workshop

Day 1 – Acquisition Planning through ESCO Selection

Day 2 – Project Development through TO Award

Phase 1:
Acquisition
Planning

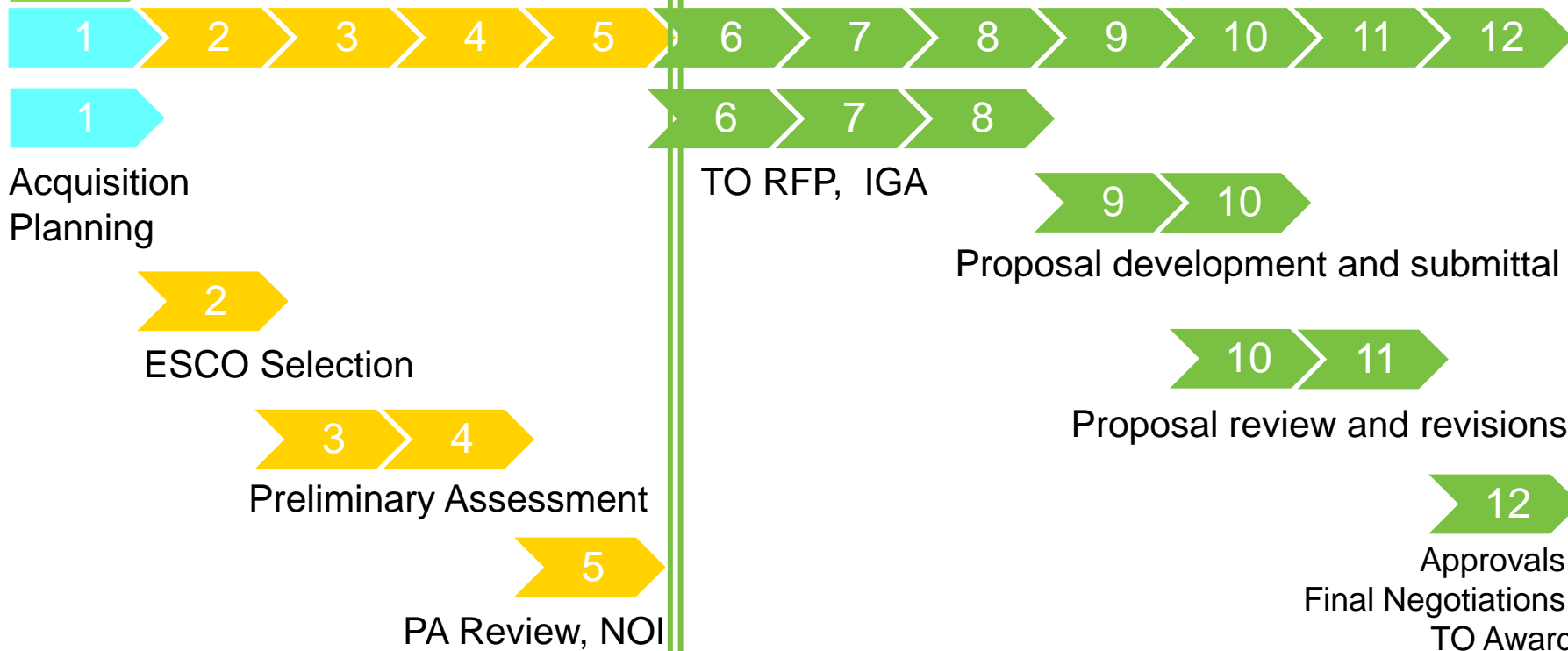
Phase 2:
ESCO Selection –
Preliminary Assessment (PA)

Phase 3:
Investment-Grade Audit (IGA) to Award

Months

Streamlined Procurement

Timeline for Phase 1 – Phase 3



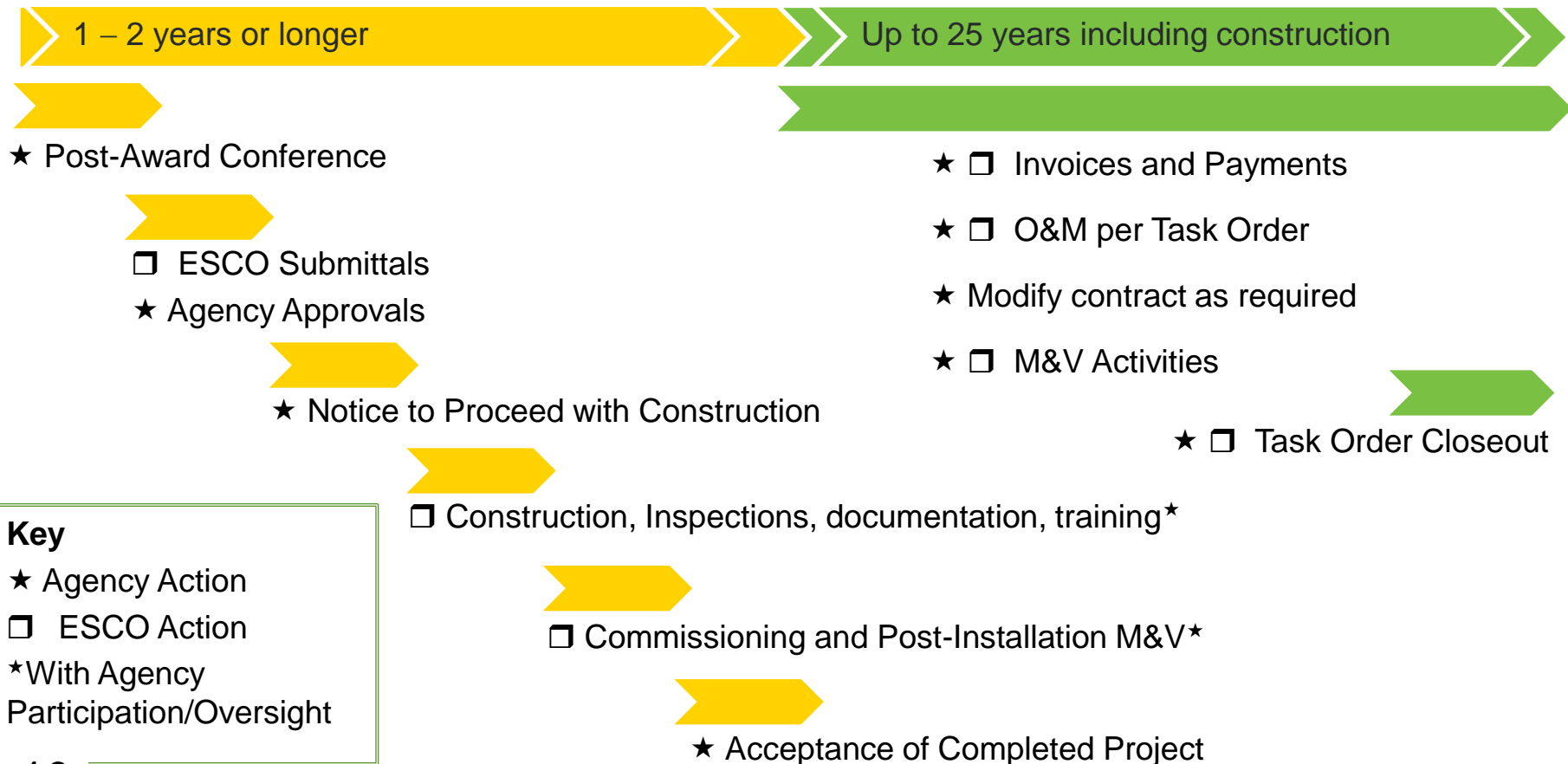
Day 3 – Post-Acceptance

Phase 4:

Project Implementation –
Design, Construction, Project Acceptance

Phase 5:

Post-Acceptance Performance



The Parking Lot



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Workshop Materials

- Workshop Handbook
 - Contacts, abbreviations, slides, and more
- Project Case Study and Sample Contract Documents (big book)
 - Follows one project from ESCO selection through the first annual M&V report
 - Includes additional sample documents and templates

Participant Introductions and Expectations



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... Almost

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What are ESPCs?

Contracts that allow agencies to do energy projects with minimal up-front capital cost and no special appropriations from Congress.

Energy Services Company (ESCO)

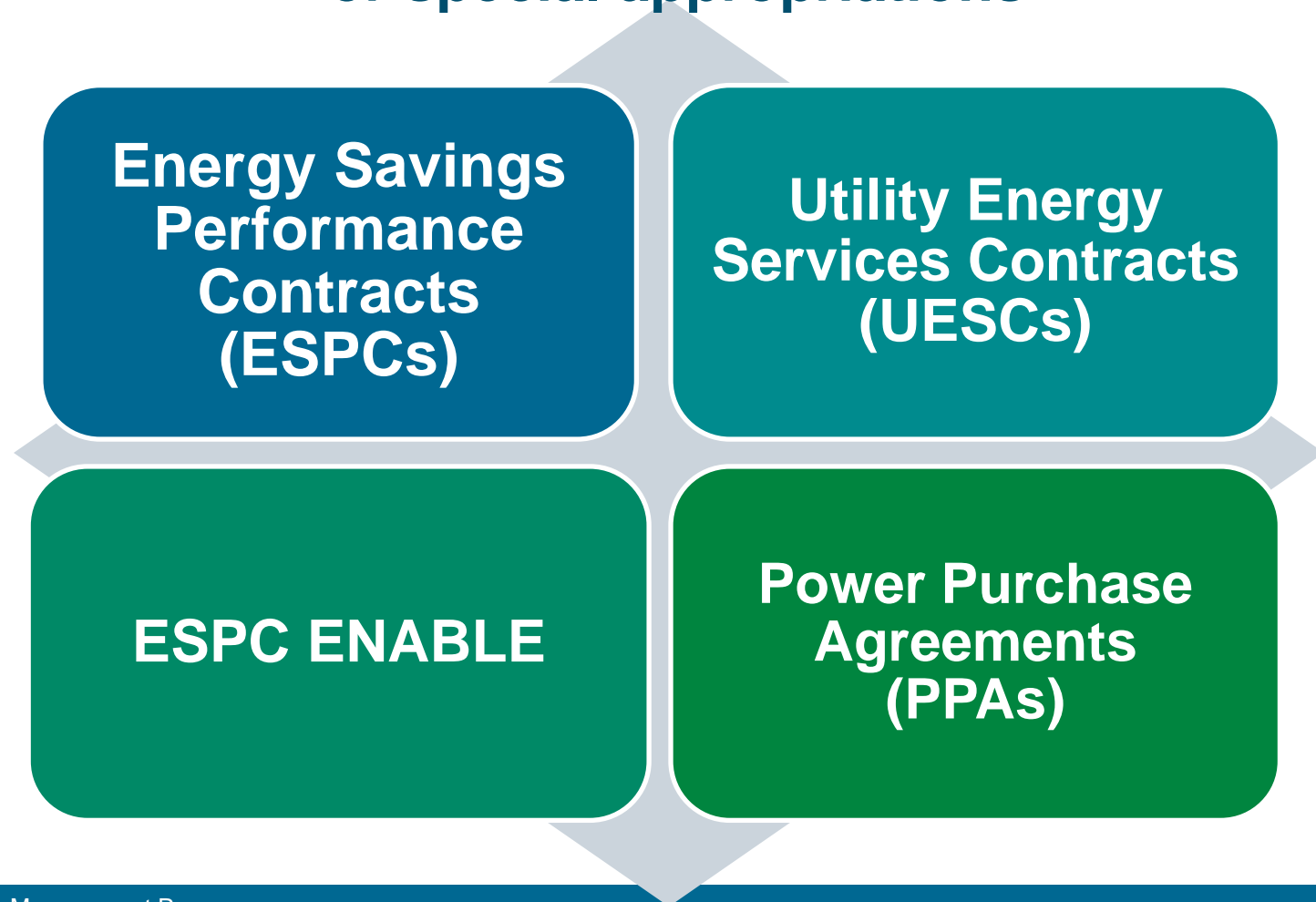
- Provides development and installation of energy/water conservation measures
- Guarantees resulting cost savings sufficient to cover project costs

Agency

- Pays ESCO over term of contract from guaranteed cost savings
- Contract administration→life of contract

A Quick Look at Other Financing Options for Energy Projects

ESPCs are one of several vehicles that allow agencies to fund energy improvements without up-front capital costs or special appropriations



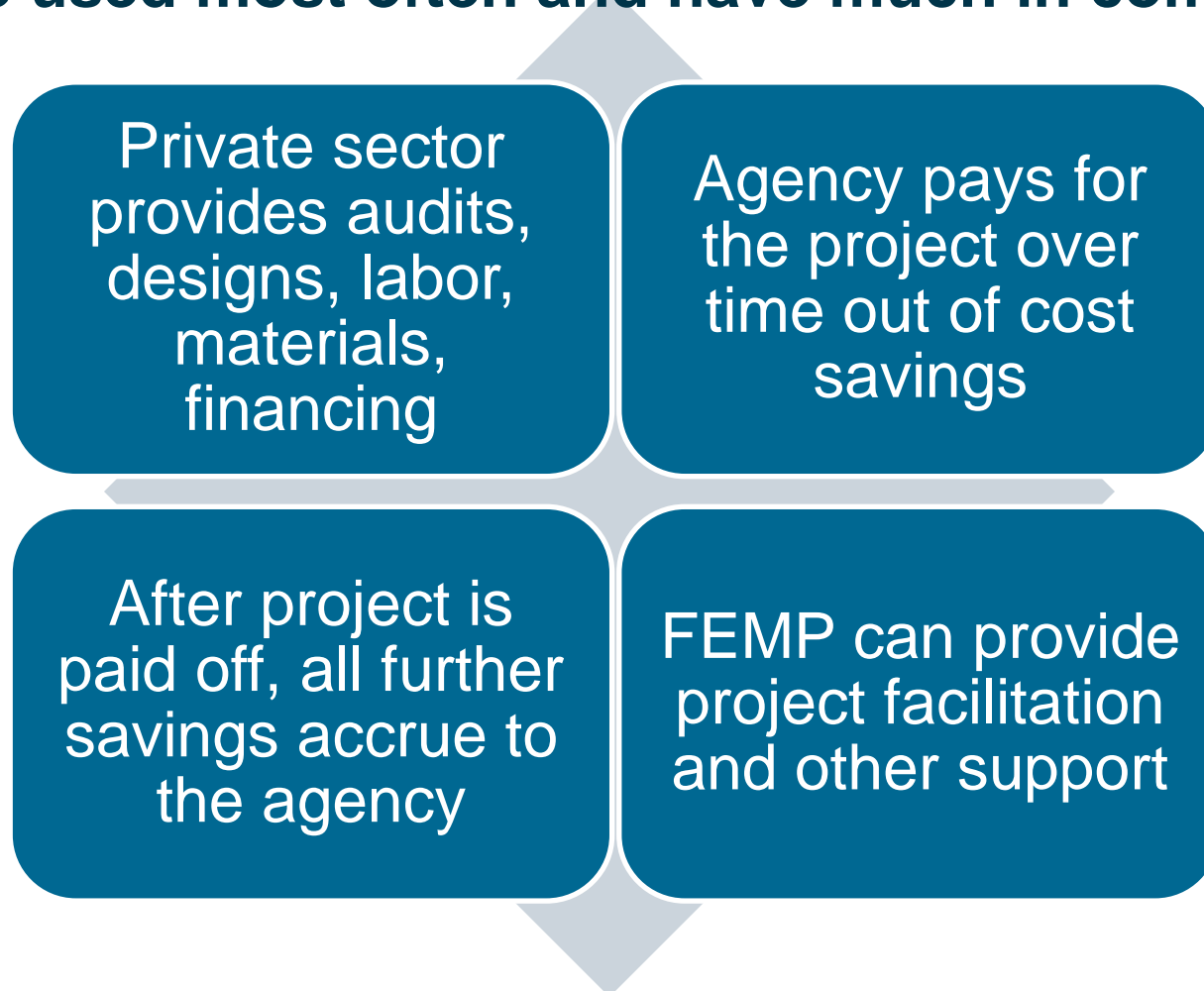
ESPC ENABLE — A DOE Pilot Project Funding Program

- A standardized and streamlined process to quickly award and construct projects using GSA Schedule 84
- Intended for sites/ buildings with < 200,000 sq ft — or where ENABLE is best/only option
 - Encourages bundling of agency sites in a single project/procurement
- Targets lighting, water, and controls energy conservation measures (ECMs)
- Includes basic measurement and verification (M&V)

Comparison of DOE ESPC IDIQ and ESPC ENABLE

	“Traditional” ESPC	ESPC ENABLE
Contract Vehicle	DOE ESPC IDIQ Contract (or other Federal IDIQ)	GSA Schedule 84 (SIN246-53)
Target Market	Unlimited	Small federal facilities/buildings (< 200K square feet)
Energy Conservation Measures	Unlimited (Includes renewables)	Lighting, Water, and basic HVAC Controls
Time to Award Project	8 – 20 Months	12-15 Weeks (Anticipated)
Average Project Size (\$)	\$14M	Less than \$1M (Anticipated)
Average Contract Term	17–18 years	+/- 10 Years (Anticipated)
Project Facilitator (PF) Required	Yes	No
M&V Required	Yes	Yes (Simplified)

Both ESPCs and UESCs are used most often and have much in common:



Comparing ESPCs and UESCs

	DOE ESPCs	UESCs
Private-sector partner	Energy services company (ESCO)	Serving utility company
Availability	Worldwide	Where offered/authorized
Contract type	Task orders under DOE IDIQ or conventional contract	GSA Area-wide contracts; Basic ordering agreements
Project size	\$1 – 2 million or larger	Any
Savings guarantees and M&V	Required	Negotiable (performance assurance required for annual scoring)
O & M	ESCO responsible; who performs is negotiable	Negotiable
Eligible facilities	Federally owned	Where government pays utility bill

For More Information on Financing Options for Energy Projects

- Ask a FEMP Financing Specialist
- On-Demand FEMP Webinar: Alternative Financing Options
 - Go to FEMP → Project Funding → ESPCs → Training
- See “Alternative Financing Option Matrix” on FEMP Web – ESPC Resources page
 - Go to FEMP → Project Funding → ESPCs → Resources



Next: Module B, ESPC Basics ►

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